

193E—19.6(543B) Compliance.

19.6(1) The commission shall require receipt of proof of errors and omissions insurance from new licensees before the license is issued.

19.6(2) The commission shall require receipt of proof of errors and omissions insurance from the applicant before reinstating an expired license.

19.6(3) The commission shall require receipt of proof of errors and omissions insurance before reactivating an inactive status license to active status if the license has been inactive for more than 20 days.

19.6(4) Applicants for license renewal shall attest and certify that they have current errors and omissions insurance in effect that meets Iowa insurance requirements.

a. The commission will verify by random audit or on a test basis the insurance compliance attested to by the licensee.

b. Licensees participating in the state group program may not be audited if commission records indicate the insurance carrier or program manager has submitted current proof of coverage.

c. Licensees with other insurance coverage may not be audited if commission records indicate the current proof of coverage has been submitted.

d. The commission may random audit by any factor as will provide a reasonable sampling given the volume, purpose and scope of audit.

e. The commission may random audit as the result of any complaint filed with the commission whether or not adequate insurance coverage was questioned in the complaint.

f. The commission may audit compliance with insurance coverage at any time the commission has reasonable cause to question a licensee's compliance.

19.6(5) A licensee is required to carry insurance on an uninterrupted basis and may not avoid discipline simply by acquiring insurance after receipt of an audit notice.

19.6(6) Failure of a licensee to carry adequate insurance coverage or to submit proof of insurance to the commission within 20 calendar days of the commission's request as required shall be prima facie evidence of a violation of Iowa Code sections 543B.15(5), 543B.47(1), and 543B.47(6) and is grounds for the denial of an application for licensure, the denial of an application to renew a license, or the suspension or revocation of a license.

19.6(7) Submitting false documentation of insurance coverage, or falsely claiming to have or attesting to having insurance coverage, shall be prima facie evidence of violation of Iowa Code sections 543B.29(1) and 543B.34(1).